

REMARKS

Claims 1-24 remain pending in this application. Claims 1 and 13 are independent. Claims 2, 3, 7, 10-12, 14, 15, 19, and 22-24 have been amended, and no claims have been added or canceled by this Amendment.

No new matter is involved with any claim amendment, as these amendments have been made solely in response to the Examiner's asserted indefiniteness.

Entry of the Amendment after Final Rejection is Proper

The present amendment to the claims have been made in an good-faith effort to be responsive to the Examiner's allegations of indefiniteness, and specifically not to overcome any art of record. The Examiner is respectfully requested to enter this Amendment After Final, in that it raises no new issues, but merely places the claims in a form more clearly patentable over the references of record. In the alternative, the Examiner is respectfully requested to enter this Amendment After Final in that it reduces the issues for appeal.

Indefiniteness Rejection

Withdrawal of the rejection of claims 2-3, 7, 10-12, 14-15 and 22-24 under 35 U.S.C. §112, second paragraph, as allegedly being indefinite, is requested. These claims have been amended in a manner that is believed to overcome the stated bases for rejection.

Given the Examiner's continued assertions that various well-known financial terms, tradenames, and systems are indefinite, Applicant has replaced the allegedly indefinite terms with "generic" descriptors that are supported by the originally-filed disclosure.

For example, the phrase "FEDWIRE® funds transfer system" in various claims has been replaced with "a U.S. Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers." Support for this amendment may be found, for example, at least at paragraph [0004] of US Patent Application Publication US 2005/0144128, *i.e.*, this application, as published.

Similar "generic" descriptive phrases having support in the originally-filed disclosure have been incorporated into the various dependent claims that were subject to the Examiner's assertions of indefiniteness of the terms "SWIFT" and "CHIPS."

Consideration and allowance of amended claims 2, 3, 7, 10-12, 14, 15, 19, and 22-24 are respectfully requested.

Anticipation by Harada et al.

Withdrawal of the rejection of claims 1, 5, 6, 8, 9, 13, 17, 18, 20, and 21 under 35 U.S.C. §102(e) as being anticipated by Harada et al. ("Harada") (US 2003/0208440) is requested. Harada does not disclose all the claimed limitations of at least independent claims 1 and 13, as discussed further below.

Brief Discussion of Applicant's Disclosure

By way of background, one or more embodiments and aspects of Applicant's disclosure are directed to a mechanism and process for authorization and processing payouts to transaction beneficiaries in foreign countries. *The mechanism and process provide for initiation of self-funded transactions, the initial instruction thereof being in a format associated with a mechanism that provides guaranteed funding of the transaction to a Receiver Financial Institution*, for example, FEDWIRE®. The Receiver Financial Institution generates foreign financial transaction payment instructions including data in a format that is compatible with both the Receiver Financial Institution and at least one financial institution in a foreign country, for example, by using a SWIFT-compatible format.

The practical effect of Applicant's disclosed and claimed invention is that this mechanism and process enables domestic (*i.e.*, United States) banks to issue payments through a Receiver Financial Institution to foreign (*i.e.*, non-United States) beneficiaries using the domestic bank's existing interfaces to the FEDWIRE® system, which allows such a domestic bank to utilize their present processing capacity without having to either build additional interfaces to a proprietary bank system, become a member of the SWIFT network, or maintain balances at an initial intermediary bank or provider of a proprietary funds transfer service.

Discussion of Harada and its Deficiencies

Independent Claim 1

As to claim 1 in particular, Harada does not disclose a method for processing a payment to a financial transaction beneficiary located in a foreign country, which includes, *inter alia*, "receiving financial transaction payment instructions from a Client Bank ***in a format associated with a settlement funds transfer system that provides guaranteed funding of the transaction*** to a Receiver Financial Institution...generating foreign financial transaction payment instructions for at least one financial institution located in a foreign country, the foreign financial transaction payment instructions including data in a funds transfer messaging service format that is compatible with both the Receiver Financial Institution and the at least one financial institution," as recited in independent claim 1, as amended (***emphasis*** added). Rather, Harada discloses potentially risky transactions involving the interaction between a customer's funds source and a treasury account, and not guaranteed funding.

According to its Abstract, Harada is purportedly directed to an international payment system and method in which a payment instruction is communicated from a customer in one country to a local currency account in another country. A payment is then provided from the local currency account to a destination/beneficiary account of an intended beneficiary. Separately, a payment request is communicated to a funds account to ensure that sufficient funds to cover the payment are provided to a treasury account. The funds at the treasury account may be exchanged for the foreign currency of the local currency account, and payment made to the local currency account either by transferring funds directly to it, or by providing a credit entry in a general ledger on behalf of the local currency account in the first country. The system purportedly enables direct access to transaction status information at the local currency account.

In attempting to distinguish over conventional techniques and systems, however, Harada emphasizes at paragraph [0041] that "the present invention [Harada] ***sends payment instructions independently of the actual monetary transfer***, which eliminates the need to execute the chain of credits and debits between correspondent financial institutions...[t]hus,

added transaction time and overhead created by traversing a chain of intermediary institutions, and conducting foreign exchange transactions is removed" (*emphasis* added).

Harada further discloses at paragraph [0017] that "[t]he payment request is communicated to a funds source associated with the source account...[and in] accordance with the payment request, funds are transferred from the funds source to a treasury account if necessary to maintain a balance at the treasury account which is sufficient to cover an amount of the payment request...funds at the treasury account are used to provide a payment to, and/or credit entry on behalf of, the local currency account in a currency of the second country."

Still further, Harada evaluates each potential source of international payment transaction funding to determine a risk profile relating to, *e.g.*, the soundness of the originating financial institution and/or country (*see* Harada at paragraph [0043]).

Applicant submits that the above-discussed approach in Harada relying on interaction between a so-called "funds source" and a "treasury account" does not, in any way, disclose, suggest, or even relate to Applicant's method of receiving financial transaction payment instructions from a Client Bank in a format associated with a settlement funds transfer system that provides *guaranteed funding* of the transaction to a Receiver Financial Institution, as recited in previously-presented independent claim 1, for example. Rather, *Harada discloses transactions having risk associated therewith, such that there is no guaranteed funding provided in the system and method of Harada.*

Although this specific rejection is for anticipation, in the context of the unpatentability rejections also contained in the final rejection, discussed below, Harada in combination with *any other reference* would be clearly seen as "teaching away" from the invention claimed in claims 1 and 13.

Independent Claim 13

Similar to independent claim 1, Harada does not disclose the mechanism for processing a payment to a financial transaction beneficiary located in a foreign country of claim 13, wherein the mechanism includes, *inter alia*, "an interface for receiving payment

instructions from a Client Bank *in a format associated with a settlement funds transfer system that provides guaranteed funding of the transaction to a Receiver Financial Institution*; and at least one processor...for...generating foreign financial transaction payment instructions...including data in a funds transfer messaging service format that is compatible with both the Receiver Financial Institution and the at least one financial institution," as recited in previously-presented independent claim 13 (*emphasis* added).

As stated above, Harada discloses potentially risky transactions involving the interaction between a customer's funds source and a treasury account, and not guaranteed funding.

Accordingly, since the applied art does not teach or suggest all the claimed limitations, reconsideration and allowance of independent claims 1 and 13 are respectfully requested. In addition, dependent claims 2-12 and 14-24 variously and ultimately depend from these patentable independent claims, and are submitted as being allowable at least on that basis, without further recourse to the patentable features recited therein.

Unpatentability Rejection over Harada et al in View of Knight et al.

Withdrawal of the rejection of claims 2, 3, 7, 10-12, 14, 15, 19 and 22-24 under 35 U.S.C. §103(a) as being unpatentable over Harada et al (US 2003/0208440) in view of Knight et al (US 2001/0034682) is requested. The Examiner has failed to make a *prima facie* case of unpatentability. Harada and its deficiencies has been discussed above with respect to independent claims 1 and 13.

Discussion of Knight and its Deficiencies in Combination with Harada

The Examiner admits that Harada is deficient in not providing a teaching or suggestion that the settlement funds transfer system is U.S Federal Reserve Bank funds transfer system, e.g., the FEDWIRE® system, and that the financial transaction payment instructions cause both an automatic credit and an automatic debit of associated accounts to be made upon receipt, and alleges that Knight makes up for these deficiencies by disclosing that the funds transfer section of the provider bank can process a transactions through one of

the clearing systems. Applicants respectfully traverse the Examiner's characterization of Knight, as discussed below.

According to its Abstract, Knight is purportedly directed to an international banking system and method in which a provider bank first establishes on its system, a set of accounts for each of the customers of a client bank (the client bank environment). The client bank environment has its own Demand Deposit Account (DDA) module to process account entries and calculate interest and its own funds transfer module to initiate and to receive funds transfers. The primary interface into the funds transfer section in the client bank environment is to the funds transfer section of the provider bank environment. The funds transfer section of the provider bank is coupled to the systems which constitute the international banking infrastructure that is able to process banking transactions on a global basis for the customers of the client bank.

In Knight, a customer requests a particular international transaction to be performed by its client bank. The client bank then communicates the requested transaction to the funds transfer section in the client bank environment within the system of the provider bank. Once the client bank funds transfer section has received the requested transaction, it references the customer's accounts in the client bank environment (e.g., to debit the customer's account) and then transmit a transaction message (e.g., a payment message) to the funds transfer section of the provider bank environment. The funds transfer section of the provider bank processes the transaction as a typical correspondent bank payment across the Nostro account(s) of the client bank environment (e.g., a high value wire transfer) through one of the clearing systems. Incoming funds (i.e., credits) intended for accounts of customers of the client bank follow this flow in reverse.

The Examiner asserts that paragraph [0035] of Knight teaches an embodiment in which instructions for financial transactions are communicated from a client bank to a provider bank in a proprietary file structure, and further states that Knight FIG. 3 illustrates the processing of payments in credits to and from a provider bank through a local clearing system to and from beneficiaries/remitters. The Examiner goes on to assert that the format of the payments and file 310 of Knight is such that local payment types and currencies are capable of being included in a single file 310, including CHIPS, FEDWIRE, ACH payments, and Euro or other foreign currency payment formats.

What Knight actually teaches in paragraph [0035] is the *availability of various formats for transactions*, and *not* that the settlement funds transfer system comprises a US Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers or that the financial transaction payment instructions cause both an automatic credit and an automatic debit of associated accounts be made up upon receipt (claims 2 and 14). By way of further example, Knight also does not teach that the financial transaction payment instructions or received via an interface with the settlement funds transfer system, wherein the interface is configured to provide access to a US Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers (claim 7 and 19), for example. These omissions in both Harada and Knight act to further distinguish at least claims 2, 7, 14 from the suggested combination.

In addition, the examiner asserts that paragraph [0011] of Knight discloses that the funds transfer section of the provider bank can process transactions through one of the clearing systems. Applicants traverse his characterization of Knight. What this portion of Knight actually teaches is that "[t]he client bank then communicates requested transaction to the funds transfer section client bank environment within the system of the provider bank... mutation between the systems of the client bank the provider bank systems can be made to a variety of means such as a CPU to CPU connection, a value added network (VAN), a secure electronic data interchange (EDI) transmission or even through the Internet." This section of Knight does not specifically implicate the use of a clearing system.

Furthermore, the Applicants further point out that Knight does not disclose, suggest, or even relate to a method "wherein the at least one financial institution includes a member of a U.S. Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers," as recited in dependent claim 11, and does not disclose, suggest, or even relate to a mechanism "wherein the at least one financial institution includes a member of a U.S. Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers," as recited in dependent claim 23.

These shortcomings are in addition to the previously discussed deficiencies of Harada with respect to its lack of teaching the use of "guaranteed funding" in the financial transaction, as recited in independent claims 1 and 13 from which claims 11 and 23 respectively depend. Furthermore, even assuming, *arguendo*, that Knight teaches that which

the Examiner asserts, a proposition with which Applicants do not agree, Knight fails to make up for the previously-identify deficiency of Harada, discussed above with respect to independent claims 1 and 13.

Since the combination of Harada and Knight do not teach or suggest all the limitations of patentable independent claims 1 and 13 from which claims 2, 3, 7, 10-12, 14, 15, 19 and 22-24 variously and ultimately depend, these claims are allowable at least on that basis, without further recourse to the patentable features recited therein.

Harada “Teaches Away” from the Claimed Invention

Even if the applied art, Harada and Knight, either alone or in combination, taught or suggested all the limitations recited in the independent claims (which it does *not*), a person with skill in the art would not have a rational reason to combine Harada with Knight in the manner suggested by the Examiner, because these references in combination teach away from Applicant’s invention as variously recited in the independent claims. Only through the use of improper hindsight analysis would these references be looked upon to derive Applicant’s novel and non-obvious invention.

It is impermissible within the framework of 35 U.S.C. §103 to pick and choose from any one reference only so much of it as will support a given position to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one skilled in the art.¹ Further in this regard, As the Court of Customs and Patent Appeals, predecessor to the Federal Circuit, has held:

All relevant teachings of cited references must be considered in determining what they fairly teach to one having ordinary skill in the art. The relevant portions of a reference include not only those teachings which would suggest particular aspects of an invention to one having ordinary skill in the art, but also those teachings which would lead such a person away from the claimed invention.²

The rejections in the Official Action amount, in substance, to hindsight reconstruction of Applicant’s invention by relying on isolated teachings of the applied art, without considering the overall context within which those teachings are presented. Without benefit

¹ *Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc.*, 230 USPQ 416 (Fed. Cir. 1986).

of Applicant's disclosure, a person of ordinary skill in the art would not know what portions of [Harada and Lawrence] to consider, and what portions to disregard as irrelevant or misleading.³

As previously discussed, Harada fails to teach or suggest a solution wherein **guaranteed funding** is provided for the transaction. In fact, Harada **teaches away** from the claimed invention **by requiring the evaluation of the relative risk of each potential transaction, rather than providing guaranteed funding of the international transaction**, as Applicant claims. In a "guaranteed funding" funds transfer system, e.g., the FEDWIRE system, there is no necessity or motivation to consider any risk because, by definition these funds transfers are "risk-free" transactions.

Harada further teaches away by stating at paragraph [0041] that "the present invention [Harada] **sends payment instructions independently of the actual monetary transfer**, which eliminates the need to execute the chain of credits and debits between correspondent financial institutions...[t]hus, added transaction time and overhead created by traversing a chain of intermediary institutions, and conducting foreign exchange transactions is removed" (**emphasis added**).

The claimed guaranteed funding aspects of Applicant's claims provides for payment instructions and risk-free monetary transfer to be effectuated in the same international transaction. Accordingly, Harada would have lead a person skilled in the art away from the invention as variously claimed by Applicant.

By way of any specific example in the claims, Harada teaches away from the claimed guaranteed funding aspects of the embodiments of Applicant's invention as claimed in dependent claims 2 and 14, in particular, either (1) a method wherein "the settlement funds transfer system comprises a U.S. Federal Reserve Bank funds transfer system useful for carrying out domestic funds transfers, wherein the financial transaction payment instructions cause both an automatic credit and an automatic debit of associated accounts to be made upon receipt," as recited in dependent claim 2, as amended, or (2) a mechanism wherein "the settlement funds transfer system comprises a U.S. Federal Reserve Bank funds transfer

² *In re Mercier*, 185 USPQ 774, 778 (CCPA 1975).

³ *In re Wesslau*, 147 USPQ 391, 393 (CCPA 1965).

system useful for carrying out domestic funds transfers, wherein the payment instructions received from the client bank cause both an automatic credit and an automatic debit of associated accounts to be made upon receipt thereof," as recited in dependent claim 14, as amended.

Accordingly, for these reasons as well, withdrawal of the rejections and allowance of dependent claims 2, 3, 7, 10, 12, 14, 15, 19, 22, and 24 are again requested.

Unpatentability Rejection over Harada and Knight in View of "SWIFT.COM"

Withdrawal of the rejection of claims 4 and 16 under 35 U.S.C. §103(a) as allegedly being unpatentable over previously cited Harada and Knight in view of the non-patent literature "SWIFT.COM" is requested. The Examiner has failed to make a *prima facie* case of unpatentability, as further discussed below. The deficiencies of Harada and Knight have been discussed above, and particularly of Harada's "teaching away" from the invention claimed in claim 1.

Discussion of SWIFT.COM

This non-patent literature reference is relied upon by the Examiner to provide a teaching of the SWIFT MT103 message. While the use of SWIFT MT103 is certainly acknowledged, SWIFT.COM, however, does not make up for the deficiencies of Harada and Knight discussed above with respect to the unpatentability rejection of claims 2 and 14, and by extension to independent claims 1 and 13, as further discussed below.

In particular, Harada, Knight, and SWIFT.COM do not teach or suggest "receiving financial transaction payment instructions from a Client Bank *in a format associated with a settlement funds transfer system that provides guaranteed funding of the transaction* to a Receiver Financial Institution..." as recited in independent claim 1 from which claims 2 and 4 depend.

In addition, Harada, Knight, and SWIFT.COM do not teach or suggest "an interface for receiving payment instructions from a Client Bank *in a format associated with a settlement funds transfer system that provides guaranteed funding of the transaction* to a

Receiver Financial Institution," as recited in independent claim 13 from which claims 14 and 16 depend.

Since the combination of Harada, Knight, and SWIFT.COM do not teach or suggest all the limitations of independent claims 1 and 13 from which claims 4 and 16 respectively and ultimately depend, and since SWIFT.COM does not make up for the deficiencies of these references, reconsideration and allowance of claims 4 and 16 are respectfully requested.

Applicant notes that the "teaching away" of Harada discussed above with respect to dependent claims , 3, 7, 10, 12, 14, 15, 19, 22, and 24 is equally applicable to this rejection, and the rejections should be withdrawn on this basis as well.

Conclusion

All rejections having been addressed, Applicant submits that each of pending claims 1-24 in the present application is in immediate condition for allowance. An early indication of the same would be appreciated.

In the event the Examiner believes that an interview would be helpful in resolving any outstanding issues in this case, the Undersigned Attorney is available at the telephone number indicated below.

Although no fees are believed to be due, for any fees that are due during the pendency of this application, please charge Deposit Account Number 03-3975 from which the Undersigned Attorney is authorized to draw. The Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

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Respectfully submitted,

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